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# SENATE BILL No. 151

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-1-8-5.1.

**Synopsis:** Local rainy day funds. Reconciles two different versions of the statute allowing political subdivisions to establish rainy day funds.

**Effective:** Upon passage.

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**Gard, Kenley**

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January 6, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 151

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 36-1-8-5.1, AS AMENDED BY P.L.267-2003,  
2       SECTION 15, AND P.L.173-2003, SECTION 19, IS AMENDED AND  
3       CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON  
4       PASSAGE]: Sec. 5.1. (a) A political subdivision may establish a rainy  
5       day fund *to receive transfers of unused and unencumbered funds*  
6       *under: (1) section 5 of this chapter; (2) IC 6-3.5-1.1-21.1; (3)*  
7       ~~IC 6-3.5-6-17.3; and (4) IC 6-3.5-7-17.3;~~ *by the adoption of:*

8               (1) *an ordinance, in the case of a county, city, or town; or*

9               (2) *a resolution, in the case of any other political subdivision.*

10       (b) *An ordinance or a resolution adopted under this section must*  
11       *specify the following:*

12               (1) *The purposes of the rainy day fund.*

13               (2) *The sources of funding for the rainy day fund, which may*  
14       *include the following:*

15               (A) **Unused and unencumbered funds under:**

16                       (i) **section 5 of this chapter;**

17                       (ii) **IC 6-3.5-1.1-21.1;**



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(iii) IC 6-3.5-6-17.3; or

(iv) IC 6-3.5-7-17.3.

**(B) Any other funding source:**

**(i) specified in the ordinance or resolution adopted under this section; and**

**(ii) not otherwise prohibited by law.**

~~(b)~~ (c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. *Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the fund.*

~~(c)~~ (d) In any fiscal year, a political subdivision may transfer under section 5 of this chapter not more than ten percent (10%) of the political subdivision's total annual budget for that fiscal year, adopted under IC 6-1.1-17, to the rainy day fund.

~~(d)~~ (e) A political subdivision may use only the funding sources specified in **subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund.** ~~unless The political subdivision adopts~~ **may adopt a subsequent ordinance or resolution authorizing the use of another funding source.**

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

**SECTION 2. An emergency is declared for this act.**

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